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Dear Friends:

For years, the Indiana Senate has gone on record in favor of reducing government's reliance upon local property taxes, which have doubled statewide over the past 10 years. In recent years, the Senate has adopted a number of substantial, permanent and fair property tax reform measures.

The Senate led the fight to eliminate the Indiana inheritance ("death") tax and, in 1997, succeeded in gaining a significant break on the inheritance tax. A year later, 42 of 50 senators voted to remove local schools' operating expenses from property taxes. Had the measure become law, property taxes would have been cut by 30 percent statewide.

In addition, the Senate repeatedly has voted to phase-out the inventory tax which has resulted in the loss of countless jobs in transportation, warehousing and distribution to neighboring states. Both the inheritance tax and inventory tax are burdensome to Indiana's family farmers, whose contribution to the state's economy is immeasurable.

This year, the Senate insisted upon continuing the 10 percent state-funded homestead property tax credit to which all homeowners are entitled on their principal place of residence. Had we not done so, homeowners' property taxes automatically would have gone up 6 percent at the end of this year. The Senate is on record in favor of lower property taxes. You can be assured we remain committed to this fight.

Sincerely,

Charles "Bud" Meeks  
State Senator

# Charles "Bud" Meeks

## IN A SENATE

## SECOND



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## Adult Population Prison Facts for 2001

Adult number of institutions: 24

Total population: 20,576

Average cost per offender per day: \$53.08

Offenders by classification level:

Minimum: 9.6%  
Low Medium: 55.4%  
High Medium: 15.1%  
Maximum: 19.8%  
Maximum Control: >0.1%

Gender:

Male: 92.7%  
Female: 7.3%

Average Age at Intake: 31.0%

Average Current Age: 34.5

Type of Offense:

Person: 39.5%  
Property: 22.5%  
Controlled Substances: 18.7%  
Substantive Criminal Provisions: 7.0%  
Non Criminal Code Offenses: 6.7%  
Weapons: 2.0%  
Public Administration: 1.5%  
Miscellaneous Criminal: 1.1%  
Public Order: .8%

Statistics compiled by the Indiana Department of Correction

## INDIANA MANDATES ETHANOL BLENDS FOR STATE VEHICLES

With the increasing concern about America's dependence on fossil fuels and foreign oil, a number of solutions have been proposed for addressing the country's energy crisis. While solar and electrical power sources are being examined, alternative fuels may prove to be a viable consideration. Ethanol is one alternative fuel that many of those involved in agriculture support as a solution to relieving the gas crunch.

Earlier this summer, Indiana adopted a new law intended to help Indiana agriculture, promote domestically produced renewable energy sources, and protect our environment through the use of ethanol-blended fuels. Supported by the Indiana Farm Bureau, the Indiana Farmers Union, the Indiana Corn Growers Association, and the Indiana Petroleum Marketers Association, the legislation which took effect July 1, requires the Indiana state vehicle fleet to adopt the use of ethanol blended fuels whenever possible. Since 90 percent gasoline, 10 percent ethanol blends are widely available and comparably priced to traditional gasoline, the measure will increase ethanol use at no cost to Indiana taxpayers.

Ethanol (also known as ethyl alcohol, grain alcohol, or ETOH) is a clear, colorless alcohol produced in a distillation process similar to that of

beverage alcohol. While ethanol is nearly always attributed to corn, it can actually be produced from other vegetables, wood, and grain sources.

The American Ethanol Council estimates that the ethanol industry directly and indirectly adds more than \$6 billion to the American economy each year, and the demand for grain created by ethanol production increases net farm income more than \$12 billion annually. Increases in ethanol pro-

### Ethanol Facts:

- Ethanol reduces the need for foreign oil by 100,000 barrels per day

- Ethanol helps offset greenhouse gas emissions produced by burning fossil fuels

- Food and industrial uses represent only 20 percent of corn used today

Source: National Corn Growers Association

duction offer enormous potential for economic growth in small rural communities.

Domestic ethanol and ETBE production reduces demand for imported oil and imported MTBE, which now represents almost 80% of the U.S. trade deficit. Recent figures by the AEC estimate that imported oil accounts for about 53% of oil used, and imported MTBE is at

a record 31% of domestic production. Today, ethanol reduces the demand for gasoline and MTBE imports by 98,000 barrels per day. A 98,000 barrel/day replacement of imported MTBE would represent a \$1.1 billion reduction to our annual trade deficit.

Industrial corn use, which includes ethanol and sweetener production, is now the second largest consumer of corn in America. The demand for corn created by the ethanol industry increases crop values -- accounting for approximately \$0.14 of the value of every bushel of corn sold. The AEC estimates that if the market for ethanol did not exist, corn stocks would rise and net income to American corn farmers would be reduced by \$6 billion over the next five years, or about 11 %. Many farmers now own and operate ethanol plants, allowing them to add value to their own corn.

Many believe that the government should encourage and support programs that promote the use of American agriculture to relieve the energy crisis. The National Corn Growers Association estimates that U.S. farmers produce nearly ten billion bushels of corn annually. Some reports suggest that in the near future as much as two billion bushels of corn could be grown solely for purposes of ethanol production.

## LARGEST SHARE OF GAMBLING PROFITS GOES TO CUT "LICENSE PLATE TAX"

"Where does the lottery money go?" is a question I am asked often.

The state's share of profits from the Hoosier Lottery is combined with profits from river boat casinos, bingo and pari-mutuel horse racing into a single account within the Build Indiana Fund known as the "Lottery and Gaming Surplus Account."

For the budget year which began July 1, expenditures from the state's share of profits are expected to total \$665.5 million. The largest share of the profits, \$235 million, will go to cut the "license plate tax," the excise tax Indiana motorists pay annually when renewing their vehicle license plates.

The second-largest recipients of gambling profits are Indiana homeowners. This year, \$200 million is dedicated to the Property Tax Replacement Fund to bridge a shortfall brought on by the national

economic slow-down.

As the pie chart shows, some gambling profits are used to reduce pension obligations to teachers, local police officers and firefighters.

Funds also are set aside for computer enhancements in local schools and public libraries (the Indiana Technology Fund) and to support the development of hi-tech research (21st Century Research & Technology Fund).

Six percent of the profits goes to the Build Indiana Fund, which provides state funding for local projects ranging from firefighter and rescue equipment to street,

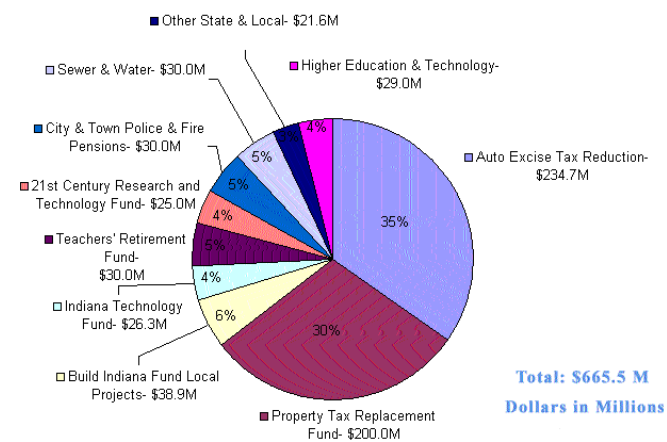
sidewalk and park improvements.

Since 1990, the Build Indiana Fund has provided \$387 million for local projects. All 92 counties have received a portion of the funds.

If not for the Build Indiana Fund, many needed local projects either would not get done or property taxes would have to be raised to finance them.

### Distribution of Lottery and Gaming Surplus Account FY 2002

Totals may not equal 100 percent due to rounding.



### Indiana Quick Facts:

Population, 2000: 6,080,485  
Population, percent change, 1990-2000: 9.7%

Persons under 5 years old, percent, 2000: 7.0%

Persons under 18 years old, percent, 2000: 25.9%

Persons 65 years old and older, percent, 2000: 12.4%  
Female population, percent 2000: 51.0%

Home Ownership Rate, 2000: 71.4%

Persons Per Square Mile, 2000: 169.5

Source: U.S. Census Bureau

## NEW CURFEW LAW TAKES EFFECT

Earlier this summer, a new curfew law went into effect to provide greater protection for Hoosier youth. After a federal court deemed a similar state curfew statute unconstitutional, State Senator David Ford authored an amended curfew bill which recognizes teens' constitutional rights while protecting their safety after hours. The final version of the bill passed the House 87-0, the Senate 47-0 and was signed by the Governor.

Like the old state law, the new legislation makes it illegal for youths younger than 15 to be out in public without their parents or guardian after 11 p.m. or before 5 a.m. on any day of the week.

The law for 15, 16, and 17 year-olds differs only on weekends when they are barred from being out between 1 a.m. and 5 a.m.

Several new exceptions have been added to the legislation to guarantee both parents' and students' rights including parental approval, educational or religious programs, jobs, emergencies, volunteering for not-for-profits and certain interstate travel. The legislation also makes defenses available to a child who is cited for a curfew violation, including those activities protected by federal or state law, such as conduct involving the free exercise of religion, freedom of speech and the right of assembly.